



CHRIS KAPENGA

STATE REPRESENTATIVE • 33RD ASSEMBLY DISTRICT



State Representative Chris Kapenga
Assembly Bill 626 Testimony
Assembly Committee on Jobs, Economy and Small Business
February 27, 2012

Chairwoman Williams and Members of the Committee,

Good morning. I would first like to thank you for bringing Assembly Bill 626 in front of your committee for a public hearing.

This bill is the result of a directive delivered to the EPA by the Obama Administration to eliminate a previously issued requirement. The requirement being rescinded specified that all newly constructed gas stations be equipped with a Stage II Vapor Recovery system. These systems were designed to recapture fuel vapors that may escape while refueling a vehicle.

The EPA has been directed to eliminate this requirement because they have concluded that these types of systems are no longer necessary due to the fact that cars built after 2000 have Onboard Refueling Vapor Recovery systems built in. The duplicity of systems actually conflict and more vapors are released into the air than if just one system were used.

The new EPA rule will require states to take individual action to officially end the regulation. This legislation has been created as a result of that. It directs the DNR to exempt new builds from the existing EPA requirement until the date identified in the impending official rule, which will likely be June 30, 2013.

This immediate action will help to improve the quality of our air and will save business owners from being forced to spend roughly \$50,000 on a system that we already know is being eliminated.



WISCONSIN PETROLEUM MARKETERS & CONVENIENCE STORE ASSOCIATION

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TO: Members of the Assembly Committee on Jobs, Economy, and Small Business
FROM: Douglas Parrott, Director of Government Affairs
DATE: February 29, 2012
RE: Support for Assembly Bill 626

The Wisconsin Petroleum Marketers and Convenience Store Association strongly supports Assembly Bill 626. The bill will provide economic relief to existing gas stations in the 9 county ozone non-attainment area and provide certainty to small business owners looking to build new stations in the non-attainment area.

Stage II Vapor Recovery (Stage II) was designed to capture vapors during refueling at the nozzle and draw the fumes back into the storage tank. The system was required by the EPA for the ozone non-attainment area in Wisconsin and costs up to \$50,000 to install. Maintenance of the system is more costly, too, as the dispensers require special nozzles that cost two times more than a regular nozzle and wear out twice as fast.

Last year, the Obama administration looked at ways to ease regulations on small businesses. One of the proposals was to eliminate Stage II Vapor Recovery, an estimated savings of \$67 million on the gas stations directly impacted by the requirement. The EPA proposed a rule that would allow Stage II to end on June 30, 2013.

The main reason the EPA is proposing to eliminate Stage II is because cars manufactured beginning in 2000 have Onboard Refueling Vapor Recovery (ORVR) systems. ORVR and Stage II are incompatible systems and when operating at the same time there is a 1 to 10 percent decrease in efficiency over what would be achieved by either Stage II or ORVR alone. Air quality would be improved by eliminating Stage II.

The problem is EPA is not simply ending Stage II on June 30, 2013. The published rule will state the technology is not needed, but states will have to decide individually to officially eliminate it. AB 626 will direct the DNR to end Stage II Vapor Recovery on June 30, 2013, in Wisconsin.

AB 626 will also state that new stations built in the non-attainment zone between the date this bill is published into law and June 30, 2013, will not be required to install a Stage II Vapor Recovery system. Wisconsin is following the lead of Connecticut and New York where their environmental departments are beginning to address eliminating Stage II while also exempting new stations from the regulation.

AB 626 will provide an economic incentive for small business owners to begin building their new stations immediately instead of waiting until June 30, 2013, providing economic growth to the local economy. Current station owners can begin planning for a phase out and decommission of their existing Stage II systems.

Thank you for considering our comments. If you have any questions, please feel free to contact me at the WPMCA office at 608-256-7555 or parrott@wpmca.org.